

PERS Service Credit

A Summary

This section contains information about service credit for members of the Public Employees' Retirement System (PERS), including elected officials. This information applies to members working for such PERS-covered employers as state agencies, libraries, public utility districts and fire protection districts. This information does not apply to PERS members working for education employers. For rules for those members, refer to the section called PERS Education Service Credit.

Rules governing service credit are contained in state retirement law. This handbook summarizes those rules in less legalistic terms. It is not a complete description of the law. If there are any conflicts between what is written here and state retirement law, the law will govern.

Service Credit Rules (except for Elected Officials)

The following information explains how PERS members earn service credit while working in eligible positions. If you have questions about a member's service credit, contact PERS Retirement Services.

September 1, 1991, and After

Plan 1

A PERS Plan 1 member earns service credit for each month of employment in an eligible position.

- A member compensated for 70 hours or more earns one month of service credit.
- A member earning some compensation but for less than 70 hours in a month earns $\frac{1}{4}$ month of service credit.

Plan 2 or Plan 3

A PERS Plan 2 or Plan 3 member earns service credit for each month of employment in an eligible position.

- A member compensated for 90 hours or more earns one month of service credit.
- A member compensated for at least 70 hours but less than 90 hours earns $\frac{1}{2}$ month of service credit.
- A member earning some compensation but for less than 70 hours earns $\frac{1}{4}$ month of service credit.

Prior to September 1, 1991

Plan 1

Before September 1, 1991, a PERS Plan 1 member in an eligible position earned service credit on a monthly basis as follows:

- If compensated for 70 hours or more, the member earned one month of service credit.
- If compensated for less than 70 hours in a month, the member did not earn service credit for that month.

Plan 2 or Plan 3

Before September 1, 1991, a PERS Plan 2 or Plan 3 member in an eligible position earned service credit on a monthly basis as follows:

- If compensated for 90 hours or more, the member earned one month of service credit.
- If compensated for less than 90 hours, the member did not earn service credit for that month.

Service Credit Rules for Elected Officials

The following section explains how PERS elected officials earn service credit. This information applies to:

- individuals elected to state or local office;
- individuals appointed directly by the Governor to vacant elective offices or agency directorships;
- individuals appointed directly by the Governor to membership on state committees, boards or commissions; and
- city managers or chief administrative officers.

For information about membership for elected officials, refer to the section called “PERS Membership” in Chapter 2.

If you have questions about service credit for elected officials, contact PERS Retirement Services and ask for “*A Guide for Elected and Governor-Appointed Officials.*”

September 1, 1991, and After

Plan 1

A PERS Plan 1 elected official earns service credit on a monthly basis as follows:

- An individual elected to state or local office that receives any compensation in a month earns one month of service credit. (This rule remains unchanged from prior periods.)
- An individual appointed by the Governor to a vacant elective office or an agency directorship who receives any compensation in a month earns one month of service credit. (This rule remains unchanged from prior periods.)
- An individual appointed by the Governor to membership on a state board, commission, or committee earns service credit for each month of employment as follows:
 - If compensated for 70 hours or more in a month, the member earns one month of service credit.

—If compensated for less than 70 hours in a month, the member earns $\frac{1}{4}$ month of service credit.

Note: A different rule applies to individuals appointed by the Governor to a committee, board or commission on or before June 30, 1976. Contact PERS Retirement Services for information.

- A city manager or chief administrative officer earns service credit for each month of employment as follows:

—If compensated for 70 hours or more in a month, the member earns one month of service credit.

—If compensated for less than 70 hours in a month, the member earns $\frac{1}{4}$ month of service credit.

Plan 2 or Plan 3

A PERS Plan 2 or Plan 3 elected official earns service credit on a monthly basis as follows:

- An individual elected to statewide office that receives any compensation in a month earns one month of service credit.
- An individual elected to local office (city, county, etc.) or an individual appointed by the Governor to statewide office must be compensated for more than 90 times the state minimum wage in a month in order to qualify for monthly service credit. An individual who meets the wage qualification earns service credit for each month of employment as follows:
 - If compensated for 90 hours or more, the member earns one month of service credit.
 - If compensated for at least 70 hours but less than 90 hours, the member earns $\frac{1}{2}$ month of service credit.
 - If compensated for less than 70 hours, the member earns $\frac{1}{4}$ month of service credit.
- An individual appointed by the Governor to a state board, commission, or committee must be compensated for more than 90 times the state minimum wage in a month in order to qualify for monthly service credit.

- A city manager or chief administrative officer earns service credit for each month of employment as follows:
 - If compensated for 90 hours or more, the member earns one month of service credit.
 - If compensated for at least 70 hours but less than 90 hours, the member earns $\frac{1}{2}$ month of service credit.
 - If compensated for less than 70 hours, the member earns $\frac{1}{4}$ month of service credit.

Rules prior to September 1, 1991

Plan 1

Before September 1, 1991, a PERS Plan 1 elected official earned service credit for each month of employment as follows:

- An individual elected to state or local office that received any compensation in a month earned one month of service credit.
- An individual appointed by the Governor to a vacant elective office or an agency directorship who received any compensation in a month earned one month of service credit.
- A city manager or chief administrative officer earned service credit for each month of employment as follows:
 - If compensated for 70 hours or more in a month, the member earned one month of service credit.
 - If compensated for less than 70 hours, the member did not earn service credit for that month.

Plan 2 or Plan 3

Prior to September 1, 1991, a PERS Plan 2 or Plan 3 elected or appointed official earned service credit for each month of employment as follows:

- An individual elected to statewide office that received any compensation in a month earned one month of service credit.

- An individual elected to local office (city, county, etc.) or an individual appointed by the Governor to state office had to be compensated for more than 90 times the state minimum wage in a month in order to qualify for monthly service credit. An individual who met the wage qualification earned service credit for each month of employment as follows:
 - If compensated for 90 hours or more, the member earned one month of service credit.
 - If compensated for less than 90 hours, the member did not earn service credit for that month.
- An individual appointed by the Governor to a state board, commission, or committee earned service credit for each month of employment as follows:
 - If compensated for 90 hours or more, the member earned one month of service credit.
 - If compensated for less than 90 hours, the member did not earn service credit for that month.
- A city manager or chief administrative officer earned service credit for each month of employment as follows:
 - If compensated for 90 hours or more, the member earned one month of service credit.
 - If compensated for less than 90 hours, the member did not earn service credit for that month.

Service Credit and Contributions

September 1, 1991, and After

Because a PERS member earns at least partial service credit in any month in which he or she earns compensation, an employer must take contributions on any amount of reportable compensation earned on or after September 1, 1991.

January 1, 1987, through August 31, 1991

For earning periods from January 1987 through August 1991, for Plan 1, Plan 2 and Plan 3, employee and employer contributions were due only when a member earned service credit. When a member did not earn service credit, no contributions were due. To determine whether a member was earning service credit during these earning periods, consult the guidelines on the preceding pages.

Note: During the period from January 1987 through August 1991, a member could consolidate hours of employment with more than one employer to earn service credit if each position was eligible. If a member's hours from all eligible positions totaled 70 hours or more (PERS Plan 1) or 90 hours or more (PERS Plan 2) in a month, contributions were due on all reportable compensation paid to the employee that month.

Prior to January 1, 1987

Before January 1, 1987, for all plans, contributions were due on all regular compensation earned by a member working in an eligible position, whether or not service credit was earned.

PERS—A Table of Service Credit Rules*	
Plan 1	Plan 2
<p>On or after September 1, 1991</p> <p><i>A member employed in an eligible position earns service credit as follows:</i></p> <p>70 hours or more of compensation in a month = one month of service credit</p> <p>Some compensation, but less than 70 hours in a month = $\frac{1}{4}$ month of service credit</p>	<p>On or after September 1, 1991</p> <p><i>A member employed in an eligible position earns service credit as follows:</i></p> <p>90 hours or more of compensation in a month = one month of service credit</p> <p>At least 70 hours but less than 90 hours of compensation in a month = $\frac{1}{2}$ month of service credit</p> <p>Some compensation, but less than 70 hours in a month = $\frac{1}{4}$ month of service credit</p>
<p>Prior to September 1, 1991</p> <p><i>A member employed in an eligible position earned service credit as follows:</i></p> <p>70 hours or more of compensation in a month = one month of service credit</p> <p>Some compensation but less than 70 hours in a month 0 service credit</p>	<p>Prior to September 1, 1991</p> <p><i>A member employed in an eligible position earned service credit as follows:</i></p> <p>90 hours or more of compensation in a month = one month of service credit</p> <p>Some compensation, but less than 90 hours in a month = 0 service credit</p>

* This summary does not apply to elected officials. Refer to preceding pages for service credit rules for elected officials.